1: Nadel E-5 (1934-1936) 1942
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It is impossible to discuss in detail the business enterprises of the big merchants of Bida. Their business activities hardly differ in essentials from the business activities of Western civilization. They are the wholesale traders who, working with large capital, buy goods from the European stores and supply the small retail trader with commodities which the latter sells in small quantities in the town market or peddles in villages and local markets. Some big merchants are contractors who run lorries for the transport of passengers and goods, others importers of goods from countries outside Nupe. Their business is to a large extent based on credit which they receive from the European trading-companies, and there are several Bida merchants who figure on the books of the trading-companies with debit accounts of £200 or more. I will only outline the effect which the introduction of commercial credit in the modern sense has had upon Nupe economy. The concept of credit itself is not alien to Nupe economy; but this new type of credit, which can be so readily obtained, opened to the Nupe trader a source, not only of working capital, but also of liquid capital as such. Native business men have learned to use this new economic device to the full, and in their own way—which is not always the orthodox way of credit operations. This is an actual and, I may add, typical instance: a Bida trader bought European cloth for £3 in the store, on a three months' credit. He then sold the cloth at a loss, for £2, to a retail trader who was not unnaturally very ready to pay in cash for these goods the normal price of which was well known to him. With the £2 our trader went round to the villages buying in advance the cotton crop of the year (this happened two months before the harvest was due). He paid an extremely low price—in certain cases only the annual tax-money of the farmer—and two months later sold the crop to the trading-company for an amount which was sufficient to pay his debt and to make a profit of £1 in addition.[1]

The increasing volume of European trade in Nigeria as well as in other parts of Africa is due to a large variety of causes. The cheapness and, generally, better quality of the European goods is often mentioned, and also the change of taste which is brought about by education and by the example of European standards of living. Our short survey of the influence of European trade upon the native economy in Nupe has revealed another aspect of the problem, the importance of which has hitherto been hardly realized. Trade in European goods, *qua* trade, is a highly lucrative enterprise which opens up a chance for business and profits unrivalled in purely native economy. It is to a considerable extent the native trader himself who is pushing trade in European goods. He is its keenest propagandist, for he is the one who benefits first and most.

4-gallon tin of paraffin costs 7*s.* 6*d.*; one bottle is sold for 6*d.*, giving a profit of 8*s.* The higher the investment, the higher evidently the profit.

[1] The device as such, to sell goods at a loss for the sake of ready money, and to make the loss good on a subsequent sale, is not new. Hausa traders, for example, sometimes sell their (native) goods at a loss in Bida in order to obtain money, and with this money to buy certain Bida goods which they can sell in Hausa country at a profit large enough to cover their previous loss.